

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2458 - HB 2537

March 4, 2018

SUMMARY OF BILL: Establishes apprenticeship programs for professions regulated by the Division of Regulatory Boards (DRB) of the Department of Commerce and Insurance (DCI). Requires apprenticeship programs meet the federal guidelines as set out in 29 CFR Part 29 and 29 U.S.C. § 50. Requires each licensing authority within the DRB to accept an applicant's six month apprenticeship in lieu of all education and experience requirements for professional licensures. Limits an applicant to apply for apprentice status one time. Requires the DRB to establish a passing score for examinations in each profession.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Due to multiple unknown factors, any fiscal impact to state revenue and expenditures cannot be quantified with reasonable certainty.

Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Division of Regulatory Boards experienced a deficit of \$105,632 in FY15-16, a surplus of \$2,735,422 in FY16-17, and had a cumulative reserve balance of \$26,350,035 on June 30, 2017.

Assumptions:

- For the purpose of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2019, the public welfare requiring it.
- Pursuant to 29 CFR 29.4, an apprenticeable occupation is one which is specified by industry and must involve skills customarily learned in a practical way through a structured systemic program of on-the-job supervised learning, involve the progressive attainment of manual, mechanical or technical skills and knowledge which, in accordance with the industry standard for the occupation, would require the completion of at least 2,000 hours of on-the-job learning to attain and require related instruction to supplement the on-the-job learning.
- The term of the apprenticeship may be measured one of three ways:
 - Time-Based Approach: completion of the industry standards for on-the-job training, a minimum 2,000 hours.
 - Competency-Based Approach: the attainment of competency.

- Hybrid Approach: a blend of the time-based and competency-based approaches.
- The determination of the appropriate approach for the program standards is made by the program sponsor.
- Professions regulated by the DRB that meet the federal guidelines for an apprenticeable occupation are:
 - Limited License Electricians
 - Limited Licensed Plumbers
 - Cosmetologists
 - Barbers
 - Private Investigators
 - Funeral Directors
 - Embalmers
 - Locksmiths
- Funeral Directors, Embalmers and Locksmiths currently have apprenticeship programs in place with the DRB; however, the DRB would be required to accept an apprenticeship for any of the aforementioned professions regardless of if one currently exists.
- A funeral director apprentice registration is \$70 and they must practice for 2 years prior to applying for full licensure. A funeral director license is \$275 plus a \$200 application fee.
- An embalmer apprentice registration is \$70 and they must practice for 1 year prior to applying for full licensure. An embalmer license is \$275 plus a \$200 application fee.
- A locksmith apprentice license is \$100 and they must practice for 2 years prior to applying for full licensure. A locksmith license is \$125.
- The number of current funeral director apprentices, embalmer apprentices and locksmith apprentices who have completed six months of their apprenticeships and would be eligible to upgrade to full licensure as a result of this legislation is unknown.
- The number of applicants in the other apprenticeable occupations that may seek an apprenticeship as a result of this legislation is unknown.
- Due to multiple unknown factors, any impact on state revenue and expenditures cannot be quantified with reasonable certainty.
- The Division of Consumer Affairs will experience an increase in consumer complaints as a result. Any such increase can be accommodated within existing resources of the Division.
- The DRB can promulgate any necessary rules during regularly-scheduled meetings at no additional cost.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Division of Regulatory Boards experienced a deficit of \$105,632 in FY15-16, a surplus of \$2,735,422 in FY16-17, and had a cumulative reserve balance of \$26,350,035 on June 30, 2017.

IMPACT TO COMMERCE:

Other Commerce Impact – The impact on commerce and jobs in Tennessee cannot be reasonably determined because such impacts are dependent upon unknown factors.

Assumptions:

- This legislation will provide an alternative path for individuals to become licensed in professions regulated by the DRB.
- Companies that provide education courses will experience a decrease in business revenue that is equal to the decrease in business expenditures as a result of applicants no longer being required to complete education requirements for the profession if they complete a 6-month apprenticeship.
- It is assumed there will be a significant increase in applicants seeking professional apprenticeships, resulting in an increase in the number of qualified applicants for a limited number of jobs.
- Any impact on commerce cannot be quantified with reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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